

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE UNION LIGHT, HEAT AND	)	CASE NO.
POWER COMPANY FOR AN ADJUSTMENT OF	)	2005-00042
GAS RATES	)	

FIRST DATA REQUEST OF COMMISSION STAFF TO  
THE UNION LIGHT, HEAT AND POWER COMPANY

The Union Light, Heat and Power Company (“ULH&P”), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 7 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before either 14 days after the initial submission of the rate application or 28 days after the date of this Data Request, whichever is later. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately.

1. Provide a copy of the current bylaws. Indicate any changes made to the bylaws since the year utilized as the test year in ULH&P's last rate case.

2. Provide the current organization chart, showing the relationship between ULH&P and any affiliated companies. Include the relative positions of all entities and affiliates with which ULH&P routinely has business transactions.

3. Provide a complete copy of the workpapers, calculations, and assumptions ULH&P used to develop its gas operation's forecasted test-period financial information.

4. Provide a complete copy of all of ULH&P's internal accounting manuals, directives, and policies and procedures.

5. Provide a complete copy of all of ULH&P's budget instructions, assumptions, directives, manuals, policies and procedures, timelines, and descriptions of budget procedures.

6. Provide a comparison of ULH&P's gas monthly operating budgets to the actual results, by account, for 2002, 2003, and 2004. Explain in detail any yearly account variance greater than 5 percent. In the response include comparisons for the following major expenses:

- a. Total Purchased Gas.
- b. Distribution – Mains and Services Expense.
- c. Distribution – Maintenance of Mains.
- d. Customer Accounts Expense.
- e. Administrative and General Salaries.
- f. Office Supplies and Expenses.

g. Rents.

7. Provide the same information requested in Item 6 for 2005 as it becomes available.

8. Provide a reconciliation and detailed explanation of each difference, if any, in the gas capitalization and the gas net investment rate base of ULH&P for the base period.

9. Provide a rate base, capital structure, and statement of income for ULH&P's total company and for its gas operations for the most recent actual 12-month period at the time of the company's application for rate adjustment and for the base period used in the company's application. Provide detailed explanations necessary to reconcile this data with the filed base period revenue requirement information.

10. Describe the procedures that ULH&P uses to plan and approve construction projects for its gas operations.

11. Provide ULH&P's long-term construction planning program for its gas operations.

12. For each gas construction project begun during the last ten calendar years, provide the information requested in the format contained in Schedule 1. For each project, include the amount of any cost variance and delay encountered, and explain in detail the reasons for such variances and delays.

13. Provide, in the format provided as Schedule 2, an analysis of the gas Construction Work in Progress as defined in the Uniform System of Accounts for the 12 months preceding the base period, the base period, and the forecasted test period.

14. Provide the information requested in Schedule 3 for each construction project in progress listed on Schedule 2.

15. Provide the information requested in Schedule 4 for budgeted and actual regular wages, overtime wages, and total wages for gas operations by employee group, by month, for the most recent two years available. Explain in detail any variance exceeding 5 percent in any one month. Update as further information becomes available.

16. Provide a complete copy of all wage, compensation, and employee benefits studies, analyses, or surveys conducted for or utilized by ULH&P.

17. For each gas operation employee group, state the amount, percentage increases, and effective dates for general wage increases and, separately, for merit increases granted for the years 2003, 2004, the base period, and the forecasted period.

18. Provide complete details of all early retirement plans or other staff reduction programs ULH&P or Cinergy Corp. intends to offer its gas employees during base period and the forecasted test period. Include all cost-benefit analyses associated with these programs.

19. Concerning employee fringe benefits:

a. Provide a detailed list of all fringe benefits available to ULH&P gas employees and the expected cost of each benefit in the base period and the forecasted test period. Indicate which fringe benefits, if any, are limited to management employees.

b. Provide comparative cost information for the two years preceding the base period and the base period. Explain any changes in fringe benefits occurring over this period.

20. List separately the budgeted and actual numbers of the gas operation's full- and part-time employees by employee group, by month and by year, for the five years immediately preceding the base period, the base period, and the forecasted period.

21. Provide complete details of ULH&P's Other Post-retirement Employee Benefits package(s) provided to gas employees.

22. Provide all current labor contracts and the most recent contracts previously in effect for gas operations.

23. Provide a complete copy of each group medical insurance policy that ULH&P currently maintains for its gas employees.

24. Provide, in the format provided as Schedule 5, an analysis of the gross additions, retirements, and transfers for each major functional plant property group or account for ULH&P occurring in the forecasted test period. Provide this information for both gas operations and total company operations. For any account in which transfers regularly occur in the normal course of business, also include a general description of the nature of the transfers.

25. List all properties leased to the utility and improvements to leased properties, together with annual lease payments which are capitalized in the format provided in Schedule 6. Provide this information for both gas operations and total company operations.

26. List all property held for future use included in rate base in the format provided in Schedule 7. In addition, for each property listed, provide its expected in-service date and its expected use. Provide this information for both gas operations and total company operations.

27. Provide the information requested in Schedule 8 regarding Certain Deferred Credits, Accumulated Deferred Income Taxes, and Other Rate Base items included in the forecasted test period rate base. Provide this information for both gas operations and total company operations.

28. Provide the following monthly account balances and a calculation of the average (13 month) account balances for both the total company and the gas operations (original cost):

- a. Plant in Service.
- b. Plant Purchased or Sold.
- c. Property Held for Future Use.
- d. Construction Work in Progress (Separate this balance into CWIP eligible for capitalized interest and other CWIP).
- e. Completed Construction Not Classified.
- f. Accumulated Depreciation and Amortization.
- g. Plant Acquisition Adjustment.
- h. Amortization of Utility Plant Acquisition Adjustment.
- i. Materials and Supplies.
- j. Balance in Accounts Payable Applicable to each account in (i) above (If actual cannot be determined, give reasonable estimate).

- k. Unamortized Investment Tax Credit - Pre-Revenue Act of 1971.
  - l. Unamortized Investment Tax Credit - Revenue Act of 1971.
  - m. Accumulated Deferred Income Taxes.
  - n. A Summary of Customer Deposits.
  - o. Computation and Development of Minimum Cash Requirements.
  - p. Balance in accounts payable applicable to amounts included in utility plant in service (If actual cannot be determined, give reasonable estimate).
  - q. Balance in accounts payable applicable to prepayments by major category or subaccount.
  - r. Balance in accounts payable applicable to amounts included in plant under construction (If actual cannot be determined, give reasonable estimate).
  - s. All Current Assets and Current Liability Accounts not included above.
29. Provide a calculation of federal and state income tax expense for gas operations, including a reconciliation of book to taxable income for the base period and the forecasted period in the format provided in Schedule 9.
30. Provide a trial balance as of the last day of the base period showing account number, account title, and actual base period accounts. All income statement accounts should show activity for 12 months. Provide this information for both the gas operations and total company operations.
31. For each of the Statement of Financial Accounting Standards ("SFAS") identified below, provide the information listed concerning implementation for ULH&P's gas operations.

a. SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions."

- (1) The date that ULH&P adopted the SFAS.
- (2) The effect on the financial statements.
- (3) Whether the base period or forecasted period includes any impact of the implementation. If so, provide detailed information regarding the impact.

b. SFAS No. 109, "Accounting for Income Taxes."

- (1) The date that ULH&P adopted the SFAS.
- (2) The effect on the financial statements.
- (3) Whether the base period or forecasted period includes any impact of the implementation. If so, provide detailed information regarding the impact.

c. SFAS No. 112, "Employers' Accounting for Postretirement Benefits."

- (1) The date that ULH&P adopted the SFAS.
- (2) The effect on the financial statements.
- (3) Whether the base period or forecasted period includes any impact of the implementation. If so, provide detailed information regarding the impact.

d. SFAS No. 143, "Accounting for Asset Retirement Obligations."

- (1) The date that ULH&P adopted the SFAS.
- (2) The effect on the financial statements.
- (3) Whether the base period or forecasted period includes any impact of the implementation. If so, provide detailed information regarding the impact.



(4) A schedule comparing the depreciation rates utilized by ULH&P prior to and after the adoption of SFAS No. 143. The schedule should identify the assets corresponding to the affected depreciation rates.

32. Provide copies of all service agreements and contracts that ULH&P has with any affiliate company. Include a narrative discussion of the pricing policies of ULH&P and its affiliates with regard to affiliate company transactions.

33. Concerning transactions between ULH&P's gas operations and any affiliated companies:

a. Provide a comprehensive list and detailed description of any goods or services that have been provided to ULH&P by any affiliated company.

b. Describe the benefits that ULH&P derives from having affiliates provide the goods or services identified in part (a).

c. Provide a comprehensive list and detailed description of any goods or services that ULH&P has provided to any affiliated companies.



Beth O'Donnell  
Executive Director  
Public Service Commission  
P. O. Box 615  
Frankfort, KY 40602

DATED February 15, 2005

cc: All Parties

As of \_\_\_\_\_

Sc  
Pa  
Wi

Project No.	Project Title/Description	Annual Original Actual	Annual Original Actual	Variance In Actual	Variance As Actual	Percent Of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance In Dollars
		Cost	Budget	Dollars	Percent	Budget	Cost	Cost	Dollars
		Start	End	Start	End				

The Union Light, Heat and Power Company  
Case No. 2005-00042  
Construction Projects  
As of \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
Workpaper Reference No(s):: \_\_\_\_\_

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Wi  
\_\_\_\_\_

			Accumulated Costs			
			Construction	AFUDC	Indirect	Total
Line	Project	Description	Amount	Capitalized	Costs	Cost
No.	No.	of Project			Other	
(A)	(B)	(C)	(D)	(E)	(F)*	
	(G=D+E+F)	(H)				
			\$	\$	\$	\$

TOTAL

\*Explain the nature of all other indirect costs in footnotes.

The Union Light, Heat and Power Company  
Case No. 2005-00042  
Construction Work in Progress – Percent Complete\*  
As of \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
Workpaper Reference No(s):: \_\_\_\_\_

Line	Project	Date	Estimated	Percent	Original	Most	
No.	Total Project	Construction	Project	of	Budget	Recent	
	No.	Total	Completion	Elapsed		Budget	
(A)	(B)	Work Began	Date	Time	Estimate	Estimate	(H)
	Expenditures	Expenditures					
		(C)	(D)	(E)	(F)	(G)	
					\$	\$	\$

\*Should be based on expenditures including AFUDC.

The Union Light, Heat and Power Company  
Case No. 2005-00042  
Monthly Payroll Variance Analysis  
As of \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
Workpaper Reference No(s): \_\_\_\_\_

Employee		Monthly Budget			Monthly Actual			
Variance Percent								
Date	Group	Reg.	OT	Total	Reg.	OT	Total	Reg.

Sc  
Pa  
Wi  
\_\_\_\_\_

OT

The Union Light, Heat and Power Company  
Case No. 2005-00042  
Gross Additions, Retirements, and Transfers  
As of \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
Workpaper Reference No(s):: \_\_\_\_\_

Transfers/Reclassifications

Line No.	Account No.	Account Title	Beginning Balance	Additions	Retirements	Amount	Explanation of Transfers

The Union Light, Heat and Power Company

Case No. 2005-00042

Leased Property

As of \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period

Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised

Workpaper Reference No(s): \_\_\_\_\_

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Identification					Dollar
Value	Explain				
or Reference	Description of Type	Name of	Frequency	Amount of	Property
Number	and Use of Property	Lessee	of Payment	Lease Payment	Involved*

\*If not available, an estimate should be furnished.

The Union Light, Heat and Power Company  
Case No. 2005-00042  
Property Held for Future Use Included in Rate Base  
As of \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
Workpaper Reference No(s): \_\_\_\_\_

Description					Net	Revenue Realized		
Expenses Incurred								
Line	and Location	Acquisition	Original	Accumulated	Original		Account	
No.	of Property	Date	Cost	Depreciation	Cost	Amount	No.	Description
	Amount	No.	Description					



The Union Light, Heat and Power Company  
Case No. 2005-00042  
Certain Deferred Credits and Accumulated Deferred Income Taxes  
As of \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
Workpaper Reference No(s):: \_\_\_\_\_

Line No.	Account No.	Description
-------------	----------------	-------------

Customers' Advances for Construction

Contributions in Aid of Construction

Investment Tax Credits:

Pre-1971 – 3% Credit

1971 4% Credit

1975 6% Additional Credit

1981 10% Credit on Recovery Property

ITC Tax Benefits Sold

Deferred Income Taxes:

Accelerated Amortization

Liberalized Depreciation

ACRS Tax Benefits Sold

Other (Specify and list separately)

Other (Specify and list separately)

Also provide the ITC option elected in 1971 and 1975 under Section 46(f) of the 1954 Internal Revenue Code.

The Union Light, Heat and Power Company  
Case No. 2005-00042  
Adjusted Jurisdictional Federal and \_\_\_\_\_ State Income Taxes\*  
For the 12 Months Ended \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period  
Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised  
Workpaper Reference No(s).: \_\_\_\_\_

<u>At Proposed Rates</u> Line		<u>At Current Rates</u> Schedule 49			(4)
		Unadjusted Adjusted (1)	Adjustments (2)	Adjusted (3)	
No.	Adjustments Description				
1	Operating Income Before Income Taxes	\$	\$	\$	\$
2	Reconciling Items:				
3	Interest Charges				
4	Tax Accelerated Depreciation				
5	Book Depreciation				
6	Excess of Tax Over Book Depreciation				
7	Other Reconciling Items (Specify and List)				
8	Total Reconciling Items				
9	Taxable Income				
10	Income Tax Rates:				
11	\$ _____ @ _____ %				
12	\$ _____ @ _____ %				
13	\$ _____ @ _____ %				
14	\$ _____ @ _____ %				
15	Over \$ _____ @ _____ %				
16	Federal (State) Income Tax Liability				

\*Separate Schedules should be completed for the Federal and State calculations.

The Union Light, Heat and Power Company  
Case No. 2005-00042  
Adjusted Jurisdictional Federal and \_\_\_\_\_ State Income Taxes\*  
For the 12 Months Ended \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
Workpaper Reference No(s): \_\_\_\_\_

At Proposed Rates _____		At Current Rates Schedule 49			
Line	Adjustments Description	Unadjusted Adjusted (1)	Adjustments (2)	Adjusted (3)	(4)
No.					
17	Investment Tax Credits	\$ _____	\$ _____	\$ _____	\$ _____
18	Federal (State) Income Taxes – Current	_____	_____	_____	_____
19	Deferred Income Taxes:				
20	Tax Accelerated Depreciation				
21	Tax Straight-Line Depreciation	_____	_____	_____	_____
22	Excess of Accelerated Over Straight-Line Depreciation				
23	Deferred Income Tax @ _____ %				
24	Amortization of Prior Years Deferred Income Taxes	_____	_____	_____	_____
25	Net Deferred Income Taxes Resulting from Depreciation				
26	Investment Tax Credit Deferred				
27	Amortization of Prior Year ITC	_____	_____	_____	_____

\*Separate Schedules should be completed for the Federal and State calculations.

The Union Light, Heat and Power Company  
Case No. 2005-00042  
Adjusted Jurisdictional Federal and \_\_\_\_\_ State Income Taxes\*  
For the 12 Months Ended \_\_\_\_\_

Data: \_\_\_\_\_ Base Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
Type of Filing: \_\_\_\_\_ Original \_\_\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_  
Workpaper Reference No(s): \_\_\_\_\_

At Proposed Rates _____		At Current Rates Schedule 49			
Line	Adjustments Description	Unadjusted Adjusted (1)	Adjustments (2)	Adjusted (3)	(4)
No.					
28	Investment Tax Credit – Net	\$	\$	\$	\$
29	Other Tax Deferrals (Specify and List Separately)	_____	_____	_____	_____
30	Total Deferred Income Taxes	=====	=====	=====	=====
31	Total Federal (State) Income Taxes (18 + 30)	=====	=====	=====	=====

\*Separate schedules should be completed for the Federal and State calculations.